

BEFORE THE STATE AUDITOR
AND COMMISSIONER OF INSURANCE
HELENA, MONTANA

IN THE MATTER OF:)	CASE NO. INS 2007-70
)	
THE PROPOSED DISCIPLINARY)	CONSENT AGREEMENT
TREATMENT OF JAMES JOHNSTON,)	(FIRST AMERICAN TITLE INSURANCE)
POTTER & COMPANY, and FIRST)	
AMERICAN TITLE INSURANCE)	
COMPANY,)	
Respondents.)	

Consent Agreement dated this 26th day of June 2008, between the Montana Insurance Department ("Department"), acting pursuant to the authority of the Insurance Code, § 33-1-101 *et. seq.*, and § 2-4-603 Montana Code Annotated; and Respondent First American Title Insurance Company ("First American").

RECITALS

WHEREAS, the Department issued a Notice of Proposed Agency Disciplinary Action and Opportunity for Hearing (Action) on or about December 18, 2007, alleging violations of the Montana Insurance Code (Action attached hereto as Exhibit A);

WHEREAS, the Department and First American agree that the parties' best interests would be served by dismissing the Action as it relates to First American and entering into the following specific agreement and undertakings set forth below.

NOW THEREFORE, in consideration of the mutual undertakings established herein, the Department and First American, as the parties hereto, enter into the following:

AGREEMENT

A. Without admitting the allegations and conclusions contained within the four corners of the Action, First American hereby stipulates and consents to the following:

1. Respondent First American shall pay a fine of \$40,000 to the State of Montana, due and payable on signing this agreement;
2. First American shall comply with the Montana Insurance Code and any other applicable laws and regulations enforceable by the Department as to matters or practices specified in the Action.

B. The Commissioner agrees and stipulates to the following:

1. Upon signing this notarized consent agreement, the Commissioner will file with the hearing examiner the Consent Agreement in regard to all matters now pending before him and seek a dismissal of this case, with prejudice, with respect to the allegations against First American.

C. The parties agree and stipulate as follows:

1. In the event First American violates the terms of this consent agreement or violates the above specified provisions Montana Insurance Code during the one year period commencing with the date this consent agreement is executed by all parties, the State Auditor's Office shall seek a fine from First American in the amount of \$5,000.
2. Any complaints brought to the Commissioner after the signing of this Agreement that contain allegations of illegal acts by First American of a similar or the same nature as the allegations set forth in the Action that occurred prior to the consummation of this Agreement shall not result in further administrative, civil or criminal action or referral by the Commissioner.

3. This Consent Agreement constitutes the entire agreement between the parties, there being no other promises or agreements, either express or implied. Pursuant to statutory authority, the Commissioner hereby agrees that the Commissioner will not initiate any civil, administrative, or criminal action against First American regarding the allegations contained in the Action. The Commissioner will not refer the allegations or evidence underlying the allegations for criminal prosecution to any other agency. First American fully and forever releases and discharges the Office of the State Auditor, the elected State Auditor and all State Auditor employees from any and all actions, claims, causes of action, demands, or expenses for damages or injuries that may arise from the allegations underlying this Agreement, whether asserted or unasserted, known or unknown, foreseen or unforeseen, arising out of the Action.

DATED this 26th day of June 2008.

MONTANA INSURANCE DEPARTMENT

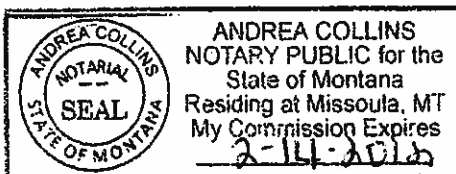
By: Janice S. VanRiper
Janice S. VanRiper
Deputy Insurance Commissioner

DATED this 23rd day of June 2008.

FIRST AMERICAN TITLE INSURANCE COMPANY

By: Richard F. Kleere
Authorized Representative

SUBSCRIBED AND SWORN to before me this 23rd day of June, 2008.



Andrea Collins
Printed Name
Notary Public for the State of Montana
Residing at Missoula, MT
My commission expires 2-14-2012